WOODS HOLE OCEANOGRAPHIC INSTITUTION

Dr. S. K Avery
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Institution Note

To All Employees,

Last month, I announced that we had selected Diversified Investment Advisors (DIA) as our Retirement Plan Provider for the Defined Contribution Retirement Plan. This month, you'll have the opportunity to meet DIA and learn more about the new services and investment options that will soon be available to you.

Schedule – Below is a list of meetings that have been scheduled for Departments and Groups.

Date	Time	Location	Department/Group
Saturday, 6/26	7:30 a.m.	Smith Conference Room	Security Guards
Monday, 6/28	9:30 a.m.	Carriage House	Directorate, Business Development, Grants & Contracts, Communications
	11:00 a.m.	Clark South 271	Geology & Geophysics
	1:30 p.m.	Clark 509	Development
	3:00 p.m.	Carlson Ln.	OOI/CGSN
Tuesday, 6/29	9:30 a.m.	Smith Conference Room	Library, Ship Operations
	11:00 a.m.	Redfield Auditorium	Applied Ocean Physics & Engineering, ALVIN/SSSG
	1:30 p.m.	CIS Conference Room	Computer & Information Services
	3:00 p.m.	Watson 201	Open Meeting; Sign-up Required*
Wednesday, 6/30	9:30 a.m.	Redfield Auditorium	Human Resources, Controller's Office, Management Information Systems, Environmental Health & Safety
	11:00 a.m.	Clark 201	Physical Oceanography
	1:30 p.m.	Redfield Auditorium	Biology, Marine Policy Center
	3:00 p.m.	Redfield Auditorium	Procurement
Thursday, 7/1	9:30 a.m.	Redfield Auditorium	Facilities
	11:00 a.m.	Smith Conference Room	Open Meeting; Sign-up Required*
	1:30 p.m.	Clark 507	Marine Chemistry & Geochemistry
	3:00 p.m.	Clark 507	Academic Programs
Wednesday, 7/7	TBD	R/V Oceanus	R/V Oceanus**

**Open Meetings will be provided to capture those who were unable to attend their departmental/group meetings. To manage size and room accommodation, sign-up for these meetings will be required. More information to follow.*
***DIA will return at a later date to meet with crew of R/V Atlantis and R/V Knorr.*

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Next Steps – Chris Winslow and his team are working diligently to ensure that systems are prepared to begin accepting voluntary employee contributions to the DIA platform as early as August 1, 2010. Any employee – even those who are not benefits-eligible – will now be able to participate in the Plan by making their own contributions through WHOI earnings via the DIA platform.

Further, if you are a benefits-eligible employee who was hired before January 1, 2010 and were *not* a participant in the Defined Benefit Plan by December 31, 2009, we are targeting August 1, 2010 as the date in which WHOI will begin making contributions to your Defined Contribution Retirement Plan account with DIA (if you fall into this group, you will be receiving a notice from Human Resources). All other benefits-eligible employees will begin receiving contributions from WHOI on either January 1, 2011 (e.g. those employees who are currently participants of the Defined Benefit Plan) or the first day of the month after they have completed one year of service with 1,000 hours worked (e.g. those benefits-eligible employees hired after January 1, 2010).

DIA at WHOI – Retirement Counselors from DIA will be on-site conducting one-on-one sessions with employees during the week of July 12th – 16th. You will be able to schedule an appointment on-line (URL will be announced later this month) or by visiting one of the two Help Desks that will be in the lobbies of Clark and Redfield June 28th – July 1st. If you are unable to attend a session this summer, you'll have another chance to meet with DIA when they return to WHOI during Open Enrollment this fall.

DIA Costs and Benefits – Finally, I'd like to address a concern that I heard from some of you after I issued my last communication announcing the selection of DIA. Specifically, I received comments expressing concern over the costs associated with DIA services. It appears that some employees are under the impression that utilizing DIA as our Retirement Plan Provider will somehow increase participant fees. This, however, is a misconception. The only fees associated with DIA are the investment management fees charged by the mutual fund companies offering the funds. Many of these fund companies share a portion of their fees with DIA (and other recordkeepers) to offset their recordkeeping costs. As we do now through the voluntary 403(b) program, participants pay these investment management fees. Some of the same funds employees are utilizing now with Fidelity, TIAA-CREF and Vanguard will be available through the WHOI Core Fund Line-Up. Employees will pay the exact same expense as they are paying now for these funds. WHOI's Core Fund Line-Up provides a best in class option in each major asset class. Each fund offered has its own expense ratio, which will be available and transparent to you before you make your investment choices.

> **DIA Fund Expense Ratio Example** – To help further explain how investment management fees work, let's consider two (2) funds that will be available – one is currently available through our voluntary 403(b) program while the other is not:

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- Vanguard S&P 500 Index – This fund has an expense ratio of 0.18% (note: the average expense ratio reported by Morningstar[1] for this asset class is 1.30%). This means that for every $100 invested, Vanguard charges 18 cents per year for investment management. Participants do not specifically see this charge deducted from their account, but it is factored in the daily Net Asset Value (NAV) or price each day. The expense ratio for this fund through the DIA platform is the same as it would be if you were to invest in it directly through Vanguard – 0.18%; thus not adding additional costs and well below the Morningstar[1] rating.

- Sentinel Small Company I (Institutional Share Class) – This fund, which will be a new investment option, has an expense ratio of 0.83% as compared to an average expense ratio reported by Morningstar[1] of 1.64% for this asset class. Employees purchasing this fund will be paying less than what they would pay if purchasing directly from an investment firm and less than the Morningstar[1] rating.

Employees looking for additional choice, and who want to access funds not offered in the WHOI Core Fund Line-up, can opt to use the self-directed mutual fund brokerage window. There is a $50 annual charge, which WHOI will cover for any benefits-eligible employee who wants to utilize this option.

Due to the size of our organization and the expected size of the new Plan, WHOI is able to provide employees with investment options with expense ratios that are all well below their respective Morningstar[1] peer group average. In addition, DIA will be providing employees with industry leading services, making it more efficient to manage one's retirement plan, and optimizing the value of investment management fees.

You'll learn more about all of this and will have the opportunity to ask other questions at one of the upcoming departmental meetings or during your one-on-one session with DIA. At the departmental meetings, attendees will be provided with an education book that will include fund fact sheets for each of the funds that will be offered through the WHOI Core Fund Line-up.

[1]Morningstar is a respected investment research firm that compiles and analyzes mutual fund, stock, and general market data. Morningstar reports are widely used by investors to determine the investment quality of more than 2,000 funds it covers.